

4 December 1981

COMPT 81-1594

MEMORANDUM FOR: Executive Committee Members

VIA: Maurice Lipton
Chairman, Agency CORE Group

William N. Hart
Chairman, DDA CORE Group

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DDA CORE Member

SUBJECT: Cost Reduction and Efficiency (CORE)
Recommendations (U)

1. The final recommendations of the Agency CORE Group will be the subject of discussion at the Executive Committee (EXCOM) meeting scheduled for 1000 hours, 14 December 1981, and this memorandum summarizes the items to be discussed. (U)

2. The Agency CORE Group was established by the DCI in June following a Cabinet meeting on the same subject. The CORE Group was tasked by the DCI to focus its efforts on the following criteria:

- o Functions requiring capital investment in order to increase efficiency and provide for future reductions in operating costs.
- o Functions which can be reduced or eliminated.
- o Functions where realignment may increase effectiveness.
- o Functions where there is duplicative effort among organizations and where there is potential for savings as a result of consolidation.

Of all items considered by the CORE Group, nine were selected for presentation to the Executive Committee, and these are tabulated in the attachment. The attachment lists savings, possible costs or penalties, the Agency CORE Group's recommendations, and actions requested of the Executive Committee. Provided below is additional background material on each of the nine items keyed to the tabulation of the attachment:

1. Acceleration of Secure Voice Program - It has been the objective of recent DCI's to provide secure telephone service to each officer of this Agency. This has been accomplished in a number of Agency buildings but

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is still incomplete in the Headquarters Building, the Key Building, the National Photographic Interpretation Center, and several other major Agency buildings. This program can be accelerated by approximately two years resulting in significant cost savings but to do so will require the provision of significant capital now rather than in subsequent fiscal years as presently programmed.

2. Shift from External to Internal TEMPEST Testing - At present, TEMPEST testing is performed by contract under the direction of the Office of Communications (OC). However, there are OC TEMPEST testing laboratories located at the [REDACTED] which can, with additional manning, meet this need with a significant reduction in annual costs. 25X1
3. New Printing Equipment - As in the case of the secure voice program, funds have been programmed in the outyears for the acquisition of the new capital printing equipment which will generate significant annual savings and result in a reduction in manning levels within the Printing and Photography Division, Office of Logistics (OL). If these capital funds can be provided now rather than later, it will be possible to achieve these cost savings at an earlier date and free up slots to be used elsewhere within the Agency.
4. Consolidation of Micrographics - A number of studies in recent years, most recently in May of this year, have recommended the consolidation of micrographics facilities in the Agency in order to effect significant dollar savings and personnel reductions. Such consolidations have been opposed by the Information Management Staff (IMS), DDO, and the Office of Central Reference, NFAC, who are concerned about the loss of control of their micrographic assets and, in the case of IMS, concern about inadequate compartmentation.
5. Consolidation of Genigraphics and Dicomedica - These two systems, which are used by the Office of Current Operations (OCO), NFAC, and the Printing and Photography Division, OL, respectively, provide computer generated 35 mm slides and viewgraphs. The OCO Genigraphics system, while the more sophisticated of the two, is

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generally unavailable for use by other than the DCI or NFAC. The thought is that consolidation of the two systems will make the best attributes of both systems available to the Agency as a whole.

6. Increased Use of the Suggestion Awards Program - The suggestion awards program is one of the most cost effective in the Agency, and it is believed that program savings can be easily doubled with only a small additional input of capital.
7. Increased Use of Sea Shipments - During the last year there has been a dramatic increase in the use of air rather than sea transportation for the movement of materiel abroad at the same time that the cost of air transportation has increased dramatically relative to sea transportation. For this reason, significant savings can be achieved if Agency components are forced to use more sea shipments, but the price of doing so will be a serious impairment of our ability to respond to operational requirements.
8. "Blue Blazer" Protective Force - Recently, as the General Services Administration (GSA) has undergone budget and personnel cuts which make it more difficult to provide Federal Protective Officers (FPO's) to the Agency, the Office of Security initiated a program of using "Blue Blazers" (contract personnel so called because of their distinctive blue blazers) along with FPO's at a considerable reduction in the price of providing such service. At the time CORE first met, the program had not been implemented, but the Office of Security has since instituted the program in both the Buildings with great success but at the cost of some critically needed slots.
9. Adopt Commuted Rate Travel for Domestic and Overseas TDY's - Commuted rate travel, i.e., payment of a predetermined amount to cover all normal travel and transportation entitlements, has been used since 1965 for foreign PCS travel. It has not been used for TDY travel because of the complexities involved in such travel and the need for flexibility. However, it is believed that the 1982 Intelligence Authorization Bill will permit the application of commuted travel to domestic PCS moves and, if further study shows it feasible, to both domestic and foreign TDY as well. (C)

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3. If you require any additional information on these items prior to the meeting, please contact me on extension

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Attachment

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Agency CORE Results

	Savings	Cost/Penalty	CORE Recommendation	EXCOM Action Requested
1. Acceleration of Secure Voice Program	\$500K/yr., \$900K one-time, improved security	\$7,765K required now	Go	Reprogram \$7,765K
2. Shift from External to Internal TEMPEST Testing	\$220K/yr.	4 slots required	Go	Provide 4 slots
3. New Printing Equipment	\$222K/yr., free 4 slots, responsiveness	\$1,200K required now	Go	Reprogram \$1,200K and gain 4 slots
4. Consolidation of Micrographics	\$245K/yr., free 5 slots	Loss of individual office control and compartmentation (IMS and OCR)	Go	Approval and gain 5 slots
5. Consolidate Genographics and Dicomedica	Unknown	Loss of individual office control (OCO)	Study	Direct Study
6. Increased Use of Suggestion Awards	\$400K/yr.	\$50K	Go	Reprogram \$50K
7. Increased Use of Sea Shipments	\$412K/yr.	Decrease in responsiveness	Defer	None
8. "Blue Blazer" Protective Force	\$135K/yr.	4 slots required	Continue slowly	None
9. Adopt Commuted Rate Travel for Domestic and Overseas TDY	Unknown, reduce administrative burden	Less flexibility	Apply approach to domestic PCS and study for all TDY	Approval and direct study

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